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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 27 October 1956

TO : Deputy Director (Intelligence)

SUBJECT: The Situation in Hungary, as of 1700 hours,

27 October 1956.

1. Summary:

The fighting in Budapest continues, primarily between Soviet troops and Hungarian rebels. Large-scale fighting has spread to the countryside where the rebel forces apparently have been joined by large numbers of Hungarian troops.

The USSR now has major elements of at least three divisions involved in the fighting, and may now be bringing in additional forces from the USSR.

The new Hungarian government of Imre Nagy, announced yesterday, retains less than half of the previous ministers and several former minority party leaders have been given prominent posts. It now appears, however, that this government exercises very little effective authority.

New and independent regional governments of indeterminate composition but apparently at least sympathetic to the rebels, appear to have been established throughout the country. Some cities reportedly have declared themselves "free towns."

In the other Satellites. the regimes are preparing themselves for possible outbreaks of violence, but to date, there have been no confirmed reports of serious disturbances.

2. The Battle Situation: In Budapest the situation is completely unclear. The latest reports, however, indicate that the rebel forces are continuing to operate effectively, at least within certain areas in the city which are "centers of resistance." Almost all of the forces engaged against the rebels appear to





be Soviet troops and Hungarian security police. The extent of Hungarian Army involvement against the rebels appears to be minimal, and it is known that some Hungarian troops in Budapest are siding with the rebels. There have been no further reports of Soviet tank crews, with their vehicles, joining the rebel forces.

Elsewhere in the country the situation is equally unclear, but there is no longer any question that violence has erupted in the provinces, with much of western Hungary reported to be in rebel hands. Much of the Austro-Hungarian border is now open to all two-way traffic, the border guards siding with the rebel forces.

3. The Political Situation: The Hungarian regime of Imre Nagy in Budapest apparently has been unable to increase its power, despite the appointment of a new government which includes significant representation from non-Communist parties. If this authority continues to deteriorate, and if it continues to accede to the demands of independent groups and regional authorities, the USSR may decide to declare a Soviet military dictatorship and dissolve the Nagy regime.

In the provinces, an increasing number of cities throughout the country are establishing independent regional governments which apparently support the rebel side of the conflict. Violence has erupted in a number of these cities, and a general strike is reportedly underway in almost all provinces. The following cities appear to be in rebel--or at least independent--hands: in northwestern Hungary, near the Austrian and Czech borders: Szentgotthard, Sopron, Mosonmagyarovar and Gyor; in central Hungary, north and east of Budapest: Vac, Hatvan and Szolnok; in northeastern Hungary: Miskolc and Nyiregyhaza; and in southwestern Hungary, near the Yugoslav border: Pecs and surrounding towns.

4. The Situation in the Other Satellites: The situation apparently remains tense throughout the area as authorities strengthen security measures against the possible outbreak of violence.

The Polish disturbances on 24 October -- in which Polish sympathizers with the Hungarian rebels attempted

to march on the Soviet embassy in Warsaw--were quickly overcome by Communist "workers" of the Gomulka regime.

Press reports of student riots in East Berlin remain completely unconfirmed. If such disturbances did, in fact, take place, East German security units—already on alert—probably were able to quell them.

There have been reports of factional fighting within the Czechoslovak Politburo, but there has been no confirmation. Czechoslovak security precautions have apparently been strengthened, in part because tommorow, 28 October, is the traditional anniversary of the founding of the Czechoslovak Republic on that date in 1918.

In Rumania, the beginning of a strike by ethnic Hungarian students in Cluj on 23 October has been reliably reported, but no further information is available.

The Albanian minister in Rome yesterday denied press reports of riots in Albania, and no additional reports have been received.

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